



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8
999 18TH STREET - SUITE 500
DENVER, CO 80202-2466

Ref: 8ENF-T

MAR 31 1999

Mr. Larry Perino
Sunnyside Gold Corporation
P.O. Box 177
Silverton, CO 81433

Re: NPDES Permit CO-0000426
NPDES Permit CO-0027529
NPDES Permit CO-0036056
NPDES Permit CO-0044768

Dear Mr. Perino:

Enclosed is a copy of the inspection report for the Environmental Protection Agency's (EPA's) inspection performed at your facility on June 24, 1998. As stated in the inspection report, the photo lab did not run one of the photos. A copy of this photo will be forwarded under a separate cover when we receive the prints. If you have any questions concerning the enclosed report, please contact me at (303) 312-6231.

Sincerely,

A handwritten signature in cursive script that reads "Melanie L. Pallman".

Melanie L. Pallman
Technical Enforcement Program
Office of Enforcement, Compliance
and Environmental Justice

Enclosure

cc: Chet Pauls, CDPHE (w/encl.)



Water Compliance Inspection Report

Section A: National Data System Coding (i.e., PCS)

[illegible]

Section B: Facility Data

Name and Location of Facility Inspected (For industrial users discharging to POTW, also include POTW name and NPDES permit number) Sunnyside Gold Corporation P.O. Box 177 Silverton, CO 81433	Entry Date	Permit Effective Date
	6/24/98 8:00	
	Exit Date	Permit Expiration Date
	6/24/98 15:30	
Name(s) of On-Site Representative(s)/Title(s)/Phone and Fax Number(s) Larry Perino ph: (970) 387-5310	Other Facility Data	
Name, Address of Responsible Official/Title/Phone and Fax Number Larry Perino, Reclamation <div style="text-align: right;"> Contacted <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </div>		

Section C: Areas Evaluated During Inspection *(Check only those areas evaluated)*

<input type="checkbox"/>	Permit	<input type="checkbox"/>	Flow Measurement	<input type="checkbox"/>	Operations & Maintenance	<input type="checkbox"/>	CSO/SSO (Sewer Overflow)
<input type="checkbox"/>	Records/Reports	<input type="checkbox"/>	Self-Monitoring Program	<input type="checkbox"/>	Sludge Handling/Disposal	<input type="checkbox"/>	Pollution Prevention
<input checked="" type="checkbox"/>	Facility Site Review	<input type="checkbox"/>	Compliance Schedules	<input type="checkbox"/>	Pretreatment	<input type="checkbox"/>	Multimedia
<input type="checkbox"/>	Effluent/Receiving Waters	<input type="checkbox"/>	Laboratory	<input type="checkbox"/>	Storm Water	<input type="checkbox"/>	Other:

Section D: Summary of Findings/Comments *(Attach additional sheets of narrative and checklists as necessary)*

See attached.

Name(s) and Signature(s) of Inspector(s) Melanie Pallman <i>Melanie J. Pallman</i>	Agency/Office/Phone and Fax Numbers EPA Region 8/303-312-6231/303-312-6409	Date <i>3/30/99</i>
Name(s) and Signature(s) of Inspector(s) Darcy O'Connor <i>Darcy O'Connor</i>	Agency/Office/Phone and Fax Numbers EPA Region 8/303-312-6392-303-312-6409	Date <i>3/30/99</i>
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Columns 21-66: Remarks. These columns are reserved for remarks at the discretion of the Region.

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Water Compliance Inspection Report

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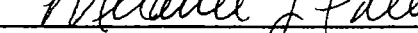
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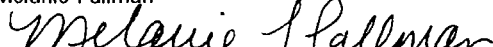
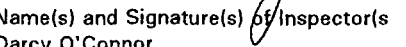
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EPA REGION VIII - INSPECTION REPORT

FACILITY: Sunnyside Gold Corporation
NPDES Permit No. CO-0000426 (Mayflower Mill)
NPDES Permit No. CO-0027529 (American Tunnel)
NPDES Permit No. CO-0036056 (Terry Tunnel)
NPDES Permit No. CO-0044768 (Remediation Projects)

DATE: June 24, 1998

PERSONNEL PRESENT: Melanie Pallman, EPA - NPDES Technical Enforcement Program
Darcy O'Connor, EPA - NPDES Technical Enforcement Program
Larry Perino, Reclamation, Sunnyside Gold Corporation

SCOPE:

This report summarizes an inspection of Sunnyside Gold Corporation's inactive gold mining operation near Silverton, Colorado.

BACKGROUND:

Sunnyside Gold Corporation (SGC) operated the Sunnyside Mine (mine) from 1985 through 1991. The mine had previously been operated by several other mining companies for many decades. On or about May 6, 1996, SGC signed a Consent Decree and Order between SGC and the Colorado Department of Health and the Environment (CDPHE) regarding its CDPS permits (NPDES issued under the Colorado Water Quality Control Act) and the continuation of those permits as related to closure of the mine.

SGC proposed to plug the American Tunnel and the Terry Tunnel as part of its mine closure plan. CDPHE indicated that if the plugging of the tunnels would result in a discharge to waters of the U.S. through surface water or ground water hydrologically connected to surface water those discharges would require CDPS permits. SGC disagreed with this interpretation of the Colorado Water Quality Control Act and sued CDPHE in state court. The Consent Decree and Order resolved this law suit.

As part of the Consent Decree and Order, SGC agreed to undertake certain mitigation projects in exchange for termination of its existing CDPS permits and the release from liability for future CDPS permits for seeps and springs which may result from the plugging of the tunnels. A water quality reference point (known as A-72) was established to monitor water quality of the Animas River below the mitigation projects and the tunnel plugging projects. The Consent Decree and Order established a goal of 0.577 mg/L dissolved zinc based on a 12-month moving average at point A-72.

INSPECTION:

EPA inspectors met Mr. Perino at the top of Red Mountain at 7:35 a.m. on June 24, 1998. From there, the inspectors and Mr. Perino proceeded to the Koehler Longfellow portal and mine waste dump located at the headwaters of Mineral Creek (A List Project #5). Mr. Perino explained that SGC had removed the waste dump and captured water from above and routed it through the black pipe shown in Photos 1, 2, and 3. The purpose of installing the black pipe was to keep the water from the portal from coming into contact with mineralized material and picking up more metals. Surface runoff was routed around the pond with the construction of a lined diversion channel (Photo 3). SGC also cleaned out the pond. The pond was supposed to become a bio-pass treatment system, but Mr. Perino stated that tests had shown that this type of system would not be economic since the wetland would need to be regenerated every six months. At the time of the inspection, it was not clear what additional work, if any, would be performed at this site.

Inspectors collected samples at sample point M-34 in Mineral Creek at 8:30 a.m. Sample point M-34 is Mineral Creek above the Animas River.

Inspectors collected samples at sample point A-72 on the Animas River at 8:55 a.m. Sample point A-72 is the Animas below the confluence of Mineral Creek and Cement Creek. Mr. Perino stated that flow information for this sample point was available on the Internet.

At 9:45 a.m., inspectors collected samples of the Animas River above Mineral Creek and Cement Creek at sample point A-68.

At 10:45 a.m., inspectors collected samples of Cement Creek for above the Animas River at sample point C-48.

The inspectors then viewed the Boulder Creek mitigation project (A List Project #6) site where SGC had removed old tailings and revegetated the area (Photo 7).

The inspector continued up the mountain and viewed the Pride of the West mitigation project (A List Project #7) where SGC had removed old tailings, revegetated the area, and rebuilt the dike. (Photos 8 and 9). The Pride of the West tailings pond (Photo 10) is not owned by SGC.

The inspectors then viewed the Eureka tailings mitigation project (A List Project #3). SGC removed 120,000 yards of tailings from this site to Pond 4. (Photo 11). Lime and some fertilizer was also added and the area was seeded. Some grass growth was observed.

Inspectors also viewed the Columbus Mine (Photo 12) which is one of the B List projects. Inspectors then attempted to view the Gold Prince mitigation project (A List Project #4), but the area was still covered with too much snow to see the project. Mr. Perino indicated that the tailings were consolidated into a "tailings burrito" within the waste dump.

The inspectors then proceeded to the American Tunnel. On the way, a sample was collected at sample point CC-20, Cement Creek above the Animas River at 2:50 p.m. (Photos 17 and 18). Photo 13 shows the American Tunnel treatment ponds. Photo 15 shows the American Tunnel tailings removal project. A sample was then collected at outfall 004 from the American Tunnel treatment ponds (Photos 15 and 16) at 3:02 p.m.

At the time of the inspection the American Tunnel treatment ponds were treating approximately 20% of the Cement Creek flow. (The Cement Creek diversion is shown in Photo 20). The ponds were operating at about 2.24 to 2.3 MGD. Inspectors measured the flow at the 12" Parshall flume at 004 and the flow was ranging from 2.128 to 2.24 MGD. SGC was operating the plant 20 hours per day. The plant has four operators. Three of the operators are certified as Class C Industrial.

The mine water was observed prior to treatment (Photo 18 - this photo was not printed due to an error at the photo lab, it will be forwarded under a separate cover). The black hose is a diversion of clean water from above the mine. This water is used for make-up water at the treatment plant. Flow of mine water entering the treatment plant was measured at the 9" Parshall flume to be 3.5 MGD at the time of the inspection.

The American Tunnel treatment plant has an emergency bypass, but this bypass does not bypass treatment. At the time of the inspection, this bypass was not in use (Photo 19). The treatment plant is also equipped with emergency power.

Mr. Perino stated that the American Tunnel is plugged at 8000 feet. The tunnel is dry from 3000 feet to 8000 feet. From 0 to 3000 feet, there is a fracture system which generates approximately 500 GPM of flow which is treated in the American Tunnel treatment plant. SGC plans to do an additional plug outside and also one inside the portal.

Inspectors exited the site at 4:40 p.m.

Sunnyside Gold Corporation - Sampling Results from June 24, 1998								
	Parameter							
	Dissolved Metals							
Location	Al	Cd	Cu	Fe	Mn	Zn	Hg	Sulfate
M-34	50 U	2.71	5.0 U	256	66.8	71.1	0.1 U	49.6
A-72	50 U	1.0 U	5.0 U	207	241	193	0.1 U	46.1
A-68	50 U	1.0 U	5.0 U	50 U	449	275	0.1 U	34
C-48	854	3.93	68	2050	485	499	0.1 U	120
CC-20	1220	7.99	175	542	652	1010	0.195	250
Blank	50 U	1.03	5.0 U	50 U	50 U	10 U	0.1 U	2.0 U
Outfall 004	411	1.24	5.0 U	50 U	181	10 U	0.1 U	635
	pH	Temp. (°C)	Latitude	Longitude				
M-34	7.07	4.3	37.4809	107.4022				
A-72	6.72	5.8	37.4723	107.4001				
A-68	6.91	5.1	37.4842	107.3933				
C-48	5.62	8.9	37.4914	107.3949				
CC-20	4.67	9.8	37.5321	107.3910				
Outfall 004	9.37	12.1	37.5321	107.3908				
	Total Metals							
	Cd	Cu	Pb	Zn	Hg	TSS		
Outfall 004	20 U	50 U	100 U	200 U		3.00 J		

¹ All Metals results are reported in µg/L; sulfate and TSS are reported in mg/L² U = The material was analyzed for, but was not detected. The associated numerical value is the sample detection limit.³ J = The associated numerical value is an estimated quantity.



Photo 1: Koehler Longfellow (A List Project #5)



Photo 2: Same as #1



Photo 3: Koehler Longfellow Project (left is diversion ditch)



Photo 4: Sample point m-34 in Mineral Creek



Photo : Sample Point A-72 (Animas River)

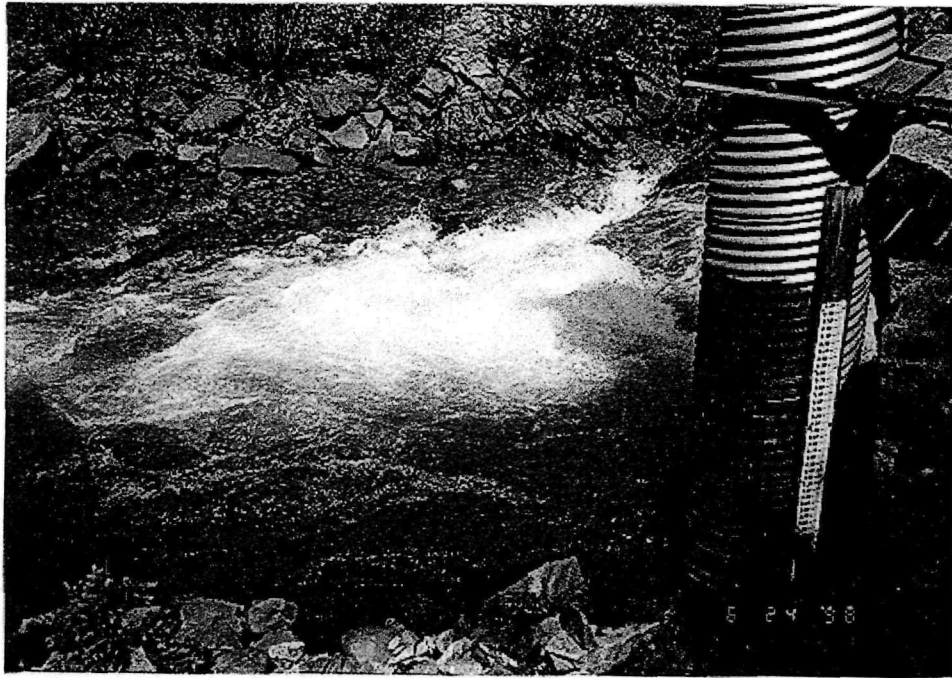


Photo 6: Sample Point C-48



Photo 7: Boulder Creek mitigation project

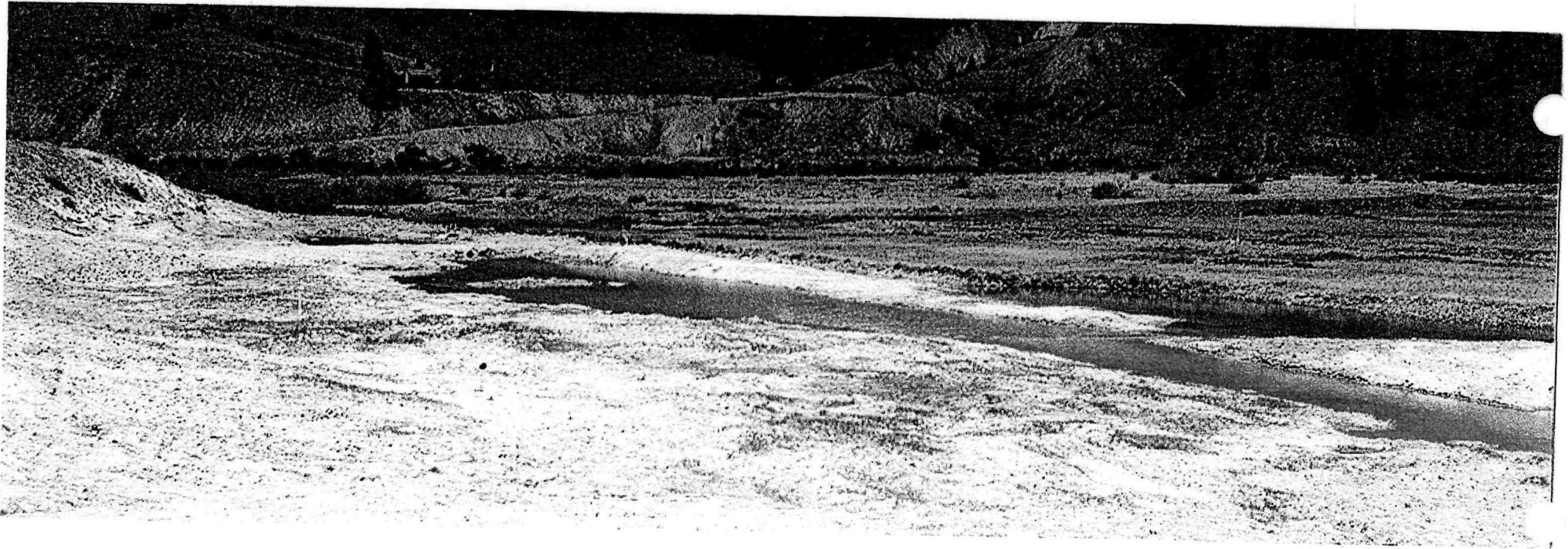


Photo 8: Pride of the West Remediation Project



Photo 9: Pride of the West Remediation Project

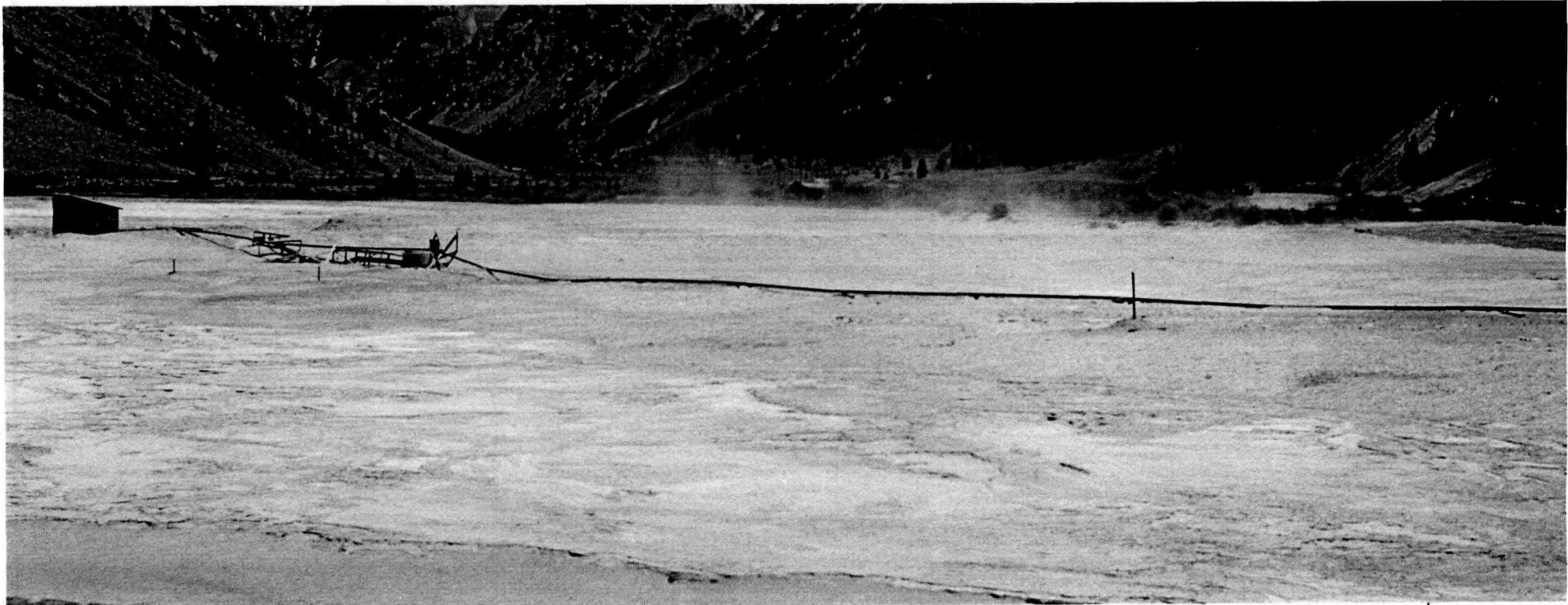


Photo 10: Pride of the West Tarkings Pond (not owned by SGC)



Photo 11:Eureka Remediation Project

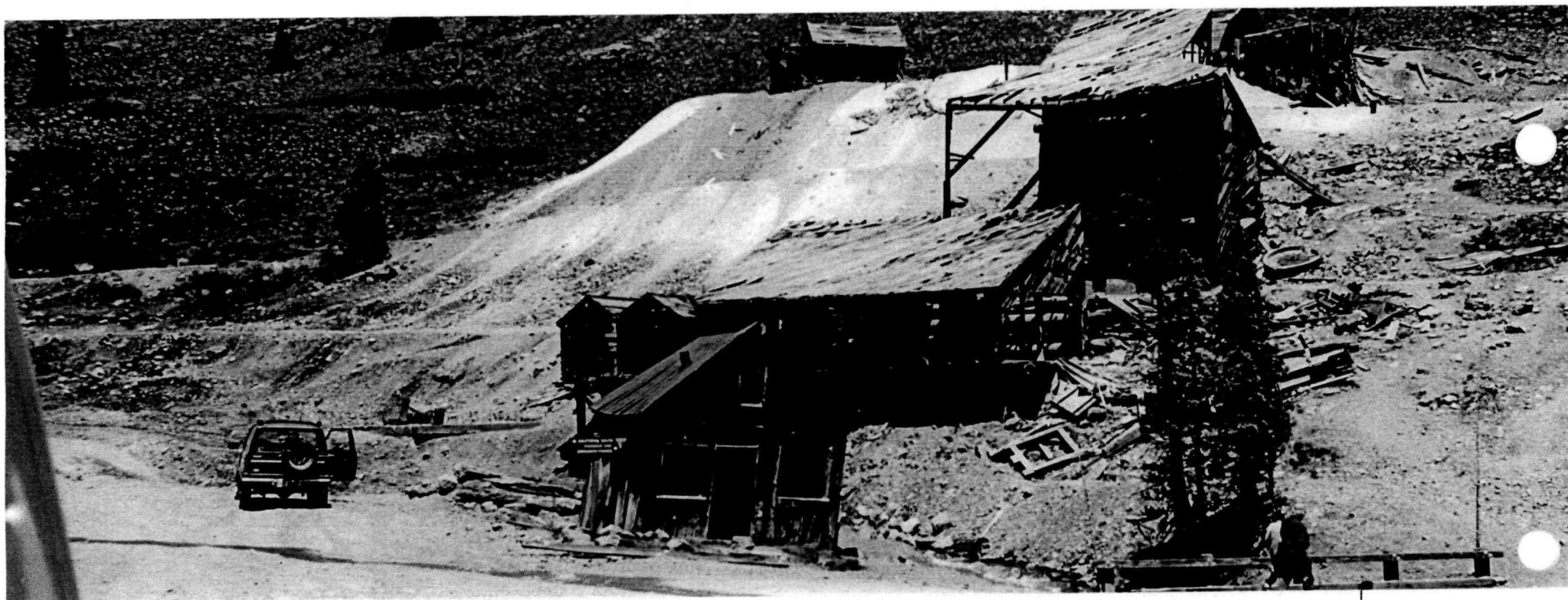


Photo 12: Columbus Mine (B List Remediation Project)

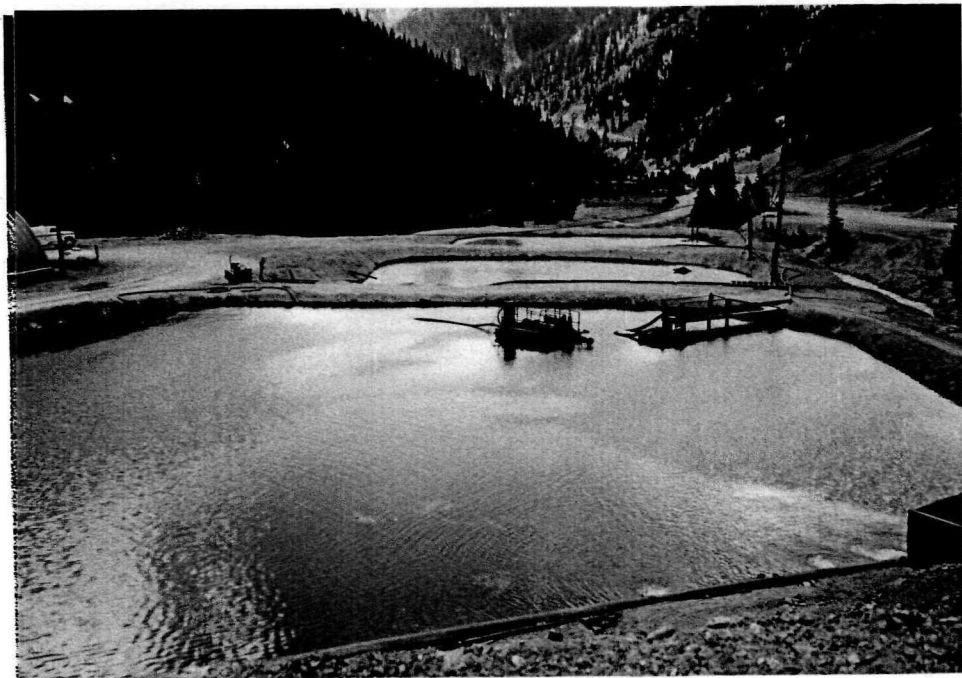


Photo 13: American Tunnel Treatment Ponds



Photo 14: American Tunnel Tailings Removal Project



Photo 15: Flume at outfall 004 from American Tunnel Treatment Ponds



Photo 16: Same as #15



Photo 17: Cement Creek below American Tunnel Discharge (CC-20)

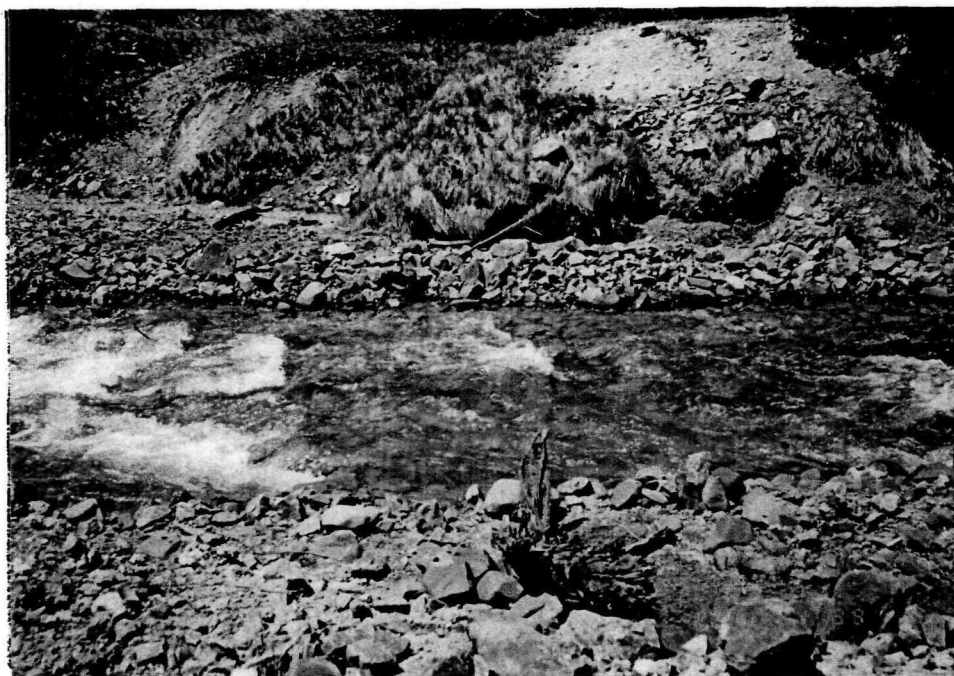


Photo 18: Mine water prior to treatment at American Tunnel Treatment Plant

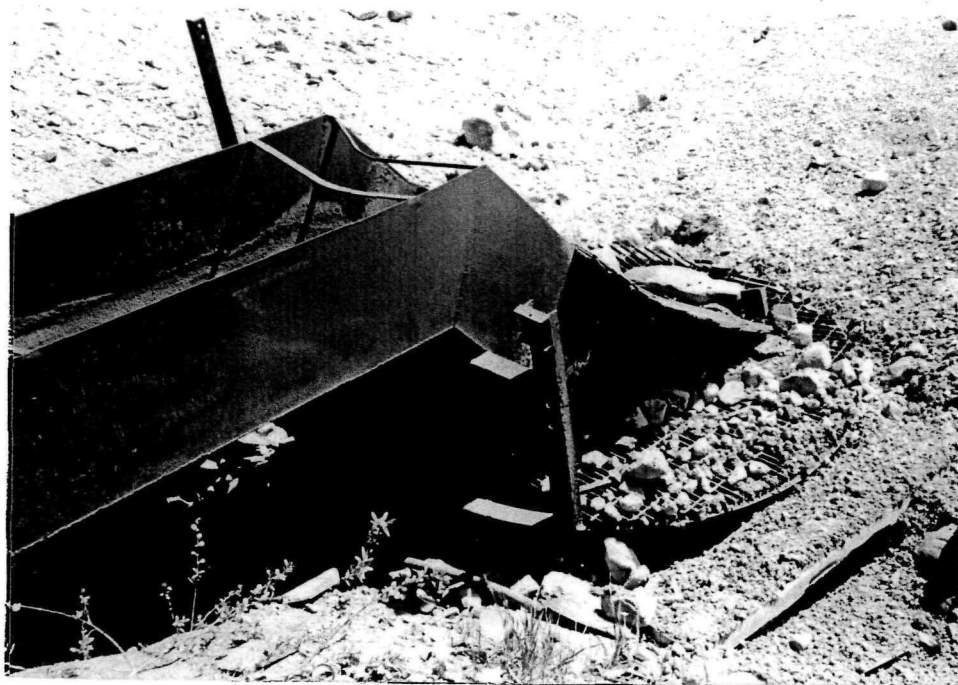


Photo 19: Emergency bypass for American Tunnel Treatment Plant



Photo 20: Cement Creek Diversion